

IN THE CHANCERY COURT FOR DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

STATE OF TENNESSEE,
Petitioner,

v.

IDT, Corp. d/b/a Internation Discount
Telecommunications, Corp., IDT Internet
Services, Inc., and Internet Online
Serives, Inc., a foreign corporation

Respondent.

AGREED ORDER

This cause came to be heard on the State of Tennessee's Petition and the parties' Assurance of Voluntary Compliance, and the Court is of the opinion that the Assurance of Voluntary Compliance should be approved. It is therefore

ORDERED, ADJUDGED, and DECREED that the Assurance of Voluntary Compliance annexed hereto and incorporated herein by reference is approved, and it is further

ORDERED, ADJUDGED, and DECREED that Respondent shall comply with the terms thereof unless rescinded by the parties or modified by this Court for good cause shown.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that jurisdiction of this Court over the subject matter herein and over the person of the Respondent for the purposes of entering into and enforcing this Agreed Order and the Assurance is admitted. Jurisdiction is retained by this Court for the purpose of enabling the parties to apply for such further orders and directions as may be necessary or appropriate for the construction, modification or execution of this Agreed Order and Assurance,

including enforcement of compliance therewith and assessment of penalties for violation(s) thereof. Respondent agrees to pay all court costs and attorneys' fees and any costs associated with any successful petitions to enforce any provision of this Agreed Order and Assurance against Respondent. Pursuant to Tenn. Code Ann. § 47-18-107, venue as to all matters between the parties relating hereto or arising out of this Agreed Order and Assurance is solely in the Chancery Court of Davidson County, Tennessee.

As required by the Assurance, Respondent shall issue to the Attorney General payments to the State of Tennessee in the total amount of Fifty Thousand and 00/100 Dollars (\$50,000.00). Of this payment, Forty Thousand and 00/100 Dollars (\$40,000.00) shall be designated for attorneys' fees and costs of investigation, prosecution and monitoring for compliance of this matter, and may be used for consumer protection purposes at the sole discretion of the Attorney General. The remaining Ten Thousand and 00/100 Dollars (\$10,000.00) shall be designated as a civil penalty and shall be paid to the General Fund of the State of Tennessee after Respondent has made all payments for the State's attorneys' fees and costs. Respondent shall pay one-tenth of the amount at the time of execution of the Assurance of Voluntary Compliance, five-tenths of the amount on or before June 30, 1997, and the remaining four-tenths on or before December 31, 1997.

Respondent hereby waives any and all rights it may have to be heard in connection with judicial proceedings upon the Petition, Assurance and Agreed Order.

IT IS FURTHER ORDER, ADJUDGED AND DECREED THAT upon execution and filing of this Agreed Order and Assurance, any subsequent failure to comply with the terms hereof is *prima facie* evidence of a violation of the Tennessee Consumer Protection Act. Further, any knowing violation of the terms of this Agreed Order and Assurance is punishable by civil penalties of not more than One Thousand Dollars (\$1,000.00) for each violation, in addition to any other appropriate penalties and sanctions, including contempt sanctions.

All costs associated with the filing and distribution of this Agreed Order, Assurance and Petition and any other incidental costs or expenses incurred thereby shall be borne by Respondent. No costs shall be taxed against the State as provided by Tenn. Code Ann. § 47-18-116. Costs shall be taxed to Respondent.